

Reyne Armbrust
lia sophia advisor

7-11-06

Dear Sir or Madam:

I am a public school teacher and I have been a lia sophia advisor for 7 months. I am writing this letter because I am concerned about the proposed Business Opportunity Rule R511993. I feel very disheartened by all of this. If this company was unethical in its practices I would not be a part of it. My reputation as a teacher and a lia sophia advisor is very important to me and I feel that the requirements proposed by this rule label me and my business and would cause people to be skeptical about lia sophia.

I believe that in its present form, it could prevent me from continuing as a lia sophia advisor. I understand that part of the FTC's responsibilities is to protect the public from "unfair and deceptive acts or practices," yet some of the sections in the proposed rule will make it very difficult, if not impossible, for me to sell lia sophia products.

Originally, I became an advisor in my company because I loved the jewelry, it is fun and and I wanted to earn some additional income. Now, I am helping to support my family with this business. We all know the challenges teachers face with student loans and making ends meet. I also became a parent this past year for the first time and lia sophia has helped my family with daycare costs. I am currently supporting my family by selling lia sophia jewelry during the summer months when I am not teaching and being a stay-at-home mom. The future of my family is dependent on the stability of the direct selling industry. Since I began this business, my husband has gone back to school. Without lia sophia, he would have to quit school and find a job.

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I personally do not agree or have time to do this proposed seven-day waiting period to enroll new advisors. This would mean that all the customers who ordered jewelry would from that party would have to wait an extra week to

receive it. This will really hurt sales. We're talking about spending \$99 for a sales kit that contains over \$500 of jewelry. A consumer really has nothing to lose and can return it if she wants. People buy TVs, cars, and other items that cost much more and they do not have to wait seven days. This waiting period gives the impression that there might be something wrong with the company or the compensation plan. I also think this seven-day waiting period is unnecessary, because lia sophia already has a 90% buyback policy for all products including sales kits purchased by a salesperson within the last twelve months. Under this waiting period requirement, I will need to keep very detailed records when I first speak to someone about lia sophia and will then need to send in many reports to my company headquarters. What mother has time to do all of that?

Why do we need to disclose lawsuit information if the company was found innocent? This does not make sense. The proposed rule also calls for the release of **any** information regarding lawsuits involving misrepresentation, or unfair or deceptive practices. It does not matter if the company was found innocent. Today, anyone or any company can be sued for almost anything. It does not make sense to me that I would have to disclose these lawsuits unless lia sophia is found guilty. Otherwise, lia sophia and I are put at an unfair advantage even though lia sophia has done **nothing** wrong.

Finally, the proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. I am glad to provide references, but in this day of identity theft, I am very uncomfortable giving out the personal information of individuals (without their approval) to strangers. Also, giving away this information could damage the business relationship of the references who may be involved in other companies or businesses including those of competitors. In order to get the list of the 10 prior purchasers, I will need to send the address of the prospective purchaser to lia sophia headquarters and then wait for the list. I also think the following sentence required by the proposed rule will prevent many people from wanting to sign up as a salesperson - "If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers." People are very concerned about their privacy and identity theft. They will be reluctant to share their personal information with individuals they may have never met.

I appreciate the work that the FTC does to protect consumers, yet I believe this proposed new rule has many unintended consequences and there are less burdensome alternatives available to achieving your goals.

Thank you for your time in considering my comments.

Respectfully,

Reyne Armbrust